GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6703
ANSWERED ON:10.05.2002
CONVERSION OF GUARANTEED LOANS
VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Development Bank of India (IDBI) have proposedthe Government to convert guaranteed loans to various State controlled entities into approved securities;

(b) if so, the amount to be converted into approved securities; (

(c) whether the Government have examined the proposal;

(d) if so, with what result;

(e) whether the Reserve Bank of India is also required to give its approval to the proposal;

(f) if so, whether RBI has given its approval; and

(g) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): Yes, Sir.

(b): As on March 31, 2002, the amount of State Government guarantees in respect of 106 cases aggregated Rs. 934.93 crores.

(c) to (g): The proposal could not be considered favourably, as it would result into diluting the sanctity of the State Government guarantees for the loans obtained by State Government undertakings.